

# **Healthy RI National Health Reform Implementation Taskforce**

## **Payment Reform/Delivery System and Providers Work Group**

### **Notes from 6/18/10 Meeting**

*Note that the workgroup decided at the first organizing meeting at United Way that there would be no individual attribution of comments in the meeting minutes.*

1) Introductions of workgroup members and the staff / interns

2) Task for today:

- Review our full assignment, which will result in a draft report by September 3,
- Determine the scope / definition of the topic for the group; specifically, what is encompassed in the group's assigned topic: payment reform / delivery system?

3) Workgroup Assignment:

- The workgroup's assignment was clarified: identify the parts of the bill related to the workgroup's topic; identify requirements for the state; identify and discuss state options; discuss the potential impacts of various requirements and options; and document, if the group comes to any consensus, recommendations during its discussion. This will all be encompassed in a report to be completed by September 3. Interns assigned to each group are responsible for drafting the report.
- It was noted that the topic of this workgroup is different from most of the other groups in that it doesn't relate to one particular section of the statute but is found in almost every section of the statute.
- There was discussion about the purpose of the final report to be generated by the workgroups. It was described as a report requested by the Lt Governor from the community. The report will be provided to the Lt Governor and to the next Governor. It was also noted that the workgroups will create synergy among people involved in health reform in Rhode Island and will hopefully lead to reform efforts going forward. The workgroups may be the start of a think tank that will ensure that there are no missed opportunities.

3) Topic Definition / Scope:

- Discussion on scope of the workgroup's topic began with a discussion of one of the workgroup member's email comments to the group, recommending the group focus rather than broaden its scope of work, centering on payment reform.
- Is another way of further focusing our topic to call it: "payment realignment/delivery system reform"?
- It was noted that there are a lot of opportunities for payment reform in the statute, including Medicare, commercial insurance, Medicaid, and Exchanges. The scope of our workgroup will be to identify and discuss opportunities for payment reform across all these payors/sections of the statute.

- Value – paying for quality and efficiency – was suggested as a potential way of looking at the topics of payment reform and delivery system reform in an integrated manner. This would encompass improvements in quality, and efficiency in the delivery system through the realignment of payment.
- There was a discussion of whether the workgroups scope/topic of payment reform / realignment also includes provider payment rates/trends and health insurance rates/trends that may be specified in the statute that may impact providers as well as affordability, but do not include incentives for efficiency and quality. Overall, the group concluded that payment rates specified in the statute would not fall under the topic of payment reform / realignment, and this would be outside the scope of the workgroup's topic.
- It was suggested that while identifying opportunities in the bill in the area of payment /delivery system reform, the group should look for convergence with other workgroups. It was noted that a good point about the Healthy RI Task Force is that it provides the opportunity to integrate information so that critical issues (e.g. medical homes) can be discussed across multiple workgroups. It will be helpful to see the related work of other groups. In particular, there was interest expressed about grants and pilot opportunities.
- The group reviewed a list of examples of subtopics in the area of payment reform/delivery system based on the prior conversation. It was agreed that these examples were a good description of the scope of the workgroup's topic:
  - Payment realignment examples
    - Pay for Performance pilots
    - ACOs
    - Primary Care bonus payment
    - Capitated/global / bundled payment methods
    - Gainsharing
    - No payment for Care resulting from Hospital Acquired infections
    - Incentives for improved hospital quality
    - Incentives to decrease readmission rates
    - Physician Quality bonus payments
    - Physician value based purchasing
  - Delivery System / Service Reform examples
    - Outcome measures by provider (physicians, hospitals)
    - Medical homes
    - Home-based team demonstration for individuals with chronic illness
    - Care coordination
    - Coverage of preventive services / with no cost sharing
- A suggestion was made to include fraud, waste and reduction of medical errors in the scope of the workgroup's topic. The group agreed that while these were important challenges, the workgroup would not include these issues as part of its initial scope.

#### 4) Discussion of Principles / Purpose / Objectives of the group

- It was suggested that healthcare should be driven by principles rather than by creating financing systems: the financing systems should not come first. Instead, the principles should lead to financing strategies. The group began to suggest principles:

- 1) Pay for quality not for volume
- 2) Focus on objectives and outcome

There was then a suggestion to first determine the purpose /objectives of the group. The group agreed and the discussion of principles was tabled in favor of defining the workgroup's purpose.

- A purpose / mission statement was drafted and will be emailed out for comments, changes, etc.
- This statement was described as being useful to help the work group stay on course. It was recommended that the group focus on this core mission/purpose. It was suggested that while the group focuses on this core purpose, the diversity of the group would bring breadth, detail, and different opinions to the group.

#### 5) DISCUSSION:

- There was active discussion and suggestions about the workgroup's process going forward:
- Identifying Opportunities and Options
  - It was suggested that Medicare will drive reforms and that the work group could focus on Medicare payment reforms.
  - Decide which opportunities are worth pursuing
  - Define payment reform / delivery system opportunities that the Exchange may provide.
- Impact Analysis
  - Define challenges (for payers, for providers, for delivery system development)
  - Address winners/losers and look at how the changes will affect different stakeholders.
  - Need to focus on enforcement: How will the new requirements of Health Reform be enforced?
- Development of Workgroup Recommendations
  - Payment reform will drive system design. If payment methods change, so will the delivery system. And if the system changes, waste will be reduced. Recommendations, therefore, should be structured around how we use payment reform to change the delivery system.
  - Recommendations should build on what exists already

- Tap into interest in Rhode Island in hearing about possible reforms of healthcare payment and delivery systems
- Look for opportunities across current programs to start new demonstrations (e.g. ACOs).
- Look at where we can go with projects that are already “in the field”.
- What’s getting traction already in Rhode Island?
- Build on programs (eg. Blue Cross medical home project, CSI) that are already implementing reforms.

## 5) Next Steps

- Goals to complete by the next meeting:
  - Draft purpose / mission statement will be emailed to the workgroup for comments
  - Sections of the statute that are relevant to the topic will be identified and made into a separate document.
  - Requirements and opportunities will be defined
  - Relevant efforts already underway in Rhode Island will begin to be identified
  - Workgroup timeline including meeting goals and deadlines for sections of the report

## 6) Next meeting

- **Friday, July 9** from **7:45** to 9:00
- Stephen Farrell of **UnitedHealthcare** graciously offered to host the workgroup at all its meetings. Directions will be sent to the workgroup.

**Workgroup Members in attendance:**

Rick Brooks	United Nurses and Allied Professionals (UNAP)
Howard Dulude	Lifespan, RI Business Group on Health
Stephen Farrell	UHCNE
Elaina Goldstein	URI College of Pharmacy
Rebecca Kislak	RI Health Center Association
Tricia Leddy	Department of Health
Michele Lederberg	BCBSRI
Gus Manocchia	BCBSRI
Beth Marootian	NHPRI
Maria Montanaro	Thundermist Health Center
Mark Schwager	PACE
Mike Souza	HARI
Melinda Thomas	Department of Health
Nick Tsiongas	Health RIght
Stephen Zubiago	Nixon Peabody

**Lt Gov Office Interns in attendance:**

Jia Leung

Joan Moses